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possessions of the state, he proposes to pass, free from fees, the titles of these properties, either to the expropriated owners, or to any third party, on payment of the amount of the general and local taxes for one year; and the properties which do not find a market in this way are to be turned over to the *communes* and remain exempt from taxation until the completion of the new cadaster now in progress. It will be interesting to watch the effect of these provisions, in case they become law. They hardly seem to go to the root of the difficulty.

ADOLPH WAGNER'S NEW TREATISE.

Economic students will be glad to learn that in a note to the third edition of his *Grundlagen der Volkswirtschaftslehre*, which has just come from the press, Professor Adolph Wagner announces that arrangements have been made for the completion of his *Lehrbuch der Politischen Ökonomie*. It is now almost twenty years since Wagner, with the promised assistance of the late Professor Erwin Nasse, undertook his great literary project. The comprehensive character of the original plan of the work and the cyclopædic fullness of its first volumes, which followed so slowly upon one another that but four volumes have thus far been published, have always made the ultimate completion of the work a matter of great doubt. When the original literary partnership was interrupted some three years ago by the untimely death of Professor Nasse, and when, about the same time, Wagner announced his intention of abridging the unfinished portion of his *Finanzwissenschaft* by the omission of a volume, it seemed more likely than ever before that the whole work would remain, as many had all along feared, a torso. But it now, fortunately, looks as though the work will be rescued from that fate and be carried to completion on an even more elaborate scale than the original scheme contemplated. The greater range and elaborateness of the new enterprise is, perhaps, indicated in the change of its title to *Lehr- und Handbuch der Politischen Ökonomie*. Associated with Professor Wagner in the accomplishment of this colossal work is a new group of collaborators, made up of Professors Dietzel and Bücher, of the Universities of Bonn and Leipsic, respectively, and Ministerial Councillor Buchenberger, of Karlsruhe.

According to the present scheme, the work is to be divided into five main divisions, each of which will be sub-divided into as many separate parts or volumes as the treatment may require. The following parts

have been provided for, and the work of preparation apportioned among Wagner and his collaborators, as follows:

In Division I, Wagner treats of the Fundamentals of Political Economy in two volumes, the one on the Basis of the National Economy, the other on National Economy and Jurisprudence, or Freedom and Property; in Division II, Dietzel discusses Theoretical Political Economy; in Division III, Practical Political Economy is dealt with in four parts: (1) Exchange and Transportation by Wagner; (2) Agriculture, in two volumes, by Buchenberger; (3) Forestry, by Bücher and Buchenberger; (4) Industry and Trade, by Bücher, in two volumes; in Division IV, Wagner adds to his already published three volumes on Finance, a fourth, and eventually a fifth, on the Theory of the Special Taxes and on Public Debts. A fifth division, not yet arranged for, is to give a History of the Literature of Political Economy.

It appears from this survey that the completed work will embrace not less than fifteen volumes, far surpassing in its compass anything hitherto attempted in the domain of economic science, and the high scholarship of the writers is an ample warranty that the quality of the treatment will be commensurate with its extent. The volumes on Agriculture are promised for an early date, and we are assured that the whole work will be energetically pushed to completion.

It will be noticed in the new scheme that Wagner's share of the work has been considerably augmented by the expansion of his *Grundlegung* into two volumes. During the thirteen years that have elapsed since the appearance of the second edition, its author's views have undergone some change; and certain fundamental questions that were sparingly noticed in the earlier editions are given a place of particular prominence in the present edition. It is rather significant that the question of method, on which the author was silent in the first two editions, should receive such extended notice now. Not that his opinions on this much controverted subject have not hitherto been known, for Wagner has long been known, at least, as a vigorous critic and opponent of the new Historical School, but he has never hitherto expressed himself with so much fullness and freedom from reserve. His account of the reciprocal relations of the different schools and, more particularly, his estimate of the influence exerted by the extreme historical tendency, are especially interesting. A few passages, indicating the author's attitude, are here reproduced. They are well worthy

of notice as coming from one of the most eminent of economists, and as foreshadowing the end of a long controversy, whose results have proved, as was anticipated by men of temperate judgment, less revolutionary than reactionary.

“Certain general conceptions and demands, at first adopted by the older group, are maintained by the younger, but are further developed by them, and have been accepted by scholars outside the strict German historical school, and on the whole by the present author. But as regards the method and aims of the science, the younger historical school takes a somewhat different position. They incline to a fusion of industrial history and political economy; they reject too sweepingly the older British *a priori* doctrine as a basis for actual scientific theory; they ignore the difference between concrete economic history and special or “practical” economics as distinct divisions of political economy—even brushing aside the distinction in purpose, method and manner of treatment between economic history and economic theory. So far as the younger historical school gives prominence to these views, I differ from it in this work, as in general. . . . The historical school has partly in its earlier, and fully in its later period, reacted too strongly in respect to the method of political economy. It does not always correctly and clearly distinguish as regards the aims of economic science between theoretic and practical political economy, and reproaches the entire English system with faults which are to be found only in certain of its adherents, which, indeed, are often merely accidental, and do not necessarily follow from the essential methods or conceptions of the system” (p. 47).

The preface charges the historical school with a spirit of intolerance: “I have found myself impelled to discuss from time to time the tendency of the younger German historical economists. If these discussions have occasionally been somewhat sharply critical, I wish it to be understood that the matter in hand is not merely a question of protesting against a one-sided method which I thought pernicious, but of protesting as well against an attitude of arrogance on the part of certain writers toward those who do not move in their particular path, toward those, namely, who do not allow exclusive validity among methods to historical induction, and who do not identify economic history with political economy—a narrowness of an opposite kind to that of the older British deductive and abstract writers, though at bottom more dangerous.”

Schmoller, as the leader of the extreme historical school, is noticed at great length, praise which approaches enthusiasm for his services as an economic historian appearing in strong contrast to such comments as the following on his attitude as a scientist: "To Schmoller, whatever does not belong to the historical-statistical 'exact' investigation is more or less the work of sportive fancy (*Gedankenspielerei*). It is branded, after the manner of Comte, as 'mere speculation,' belonging to the still 'metaphysical period' of the science, and thus demolished. . . . But this tone toward everything and everyone not in agreement with him does not enable Schmoller to conceal the fact that as to questions of fundamental principle, in points of theory, of primary conception, (which, after all, even the historians cannot avoid,) of law, and even of method, Schmoller is not always clear and not always sure of himself. As his great services in economic history show, his talent lies much more in other fields and in other directions. He has himself remarked on occasion, that the historians of a science are seldom equally skillful as its theorists. This may be confirmed by an observation of his own case" (pp. 53-54).

Wagner's respect for the British so-called "orthodox" school is indicated by numerous explicit statements referring to groups of writers or to individuals. "According to the character of the problem to be considered, according to the specific application of the general problem, and, assuredly, according to the individual cast of mind, the peculiar preference or tendency of each writer,—the individualist in political economy has in fact at one time made use predominantly of speculative deduction, at another time of induction. In some authors, as Ricardo, Senior, Mill, Herrmann, there is a fondness for deduction—this in part because that method seemed especially applicable to the particular problems in hand (as to the doctrine of price, income, or distribution). But, for example, A. Smith himself, has made use of both methods together,—so much so that to this day, and among the latest historians of the subject, opinions differ as to whether he preferably employed deduction or induction. That alone shows that the charge against the earlier British economists of exclusive deduction is unfounded. It is asserted that deductions after the usual manner (in which self-interest especially is taken as the starting-point) are necessarily wrong. This is mere assertion, which has not yet been at all adequately justified by those who offer it, and which is flatly belied by their own work in economics. For these writers, including the historical economists, on all

occasions, even in the most 'exact historical investigations,' employ for explanation or proof deductions from economic self-interest and the related motives, acts and omissions. . . .

"The British and the Continental representatives of the Individualist political economy have fallen into error, not from the employment of the deductive method, and not from the effort to secure abstract results in the treatment of problems—this effort being of itself proper. Their errors have resulted rather from the failure to give their method a sufficiently firm support in their psychological premises—and to keep in mind the hypothetical nature of this method in applying it to concrete relations. The question is therefore not as to an entire change of the method of deduction, or even of its replacement by induction. This entire substitution would be impossible, and not altogether right or desirable, if it were possible. To secure a truer use of deduction, giving it a more accurate and a deeper psychological basis and development, more cautiously applying it, not forgetting its hypothetical character, more sharply observing the necessary limits of its applicability with reference to classes and character of questions and to the peculiarities of special scientific tasks, often properly uniting it with induction (to do this always is impossible), and in certain cases substituting induction for deduction,—in short, to secure a use of deduction better in all these particulars,—that is the problem. By failing to do this, distinguished representatives of the British school have undoubtedly often made mistakes. But they were usually not so much errors of method, or errors resulting inevitably from the character of the method, as errors in the application of the method. The appearance of the German historical political economy was not necessary to the recognition of this fact, although it has certainly merited much by its critical services at this point. But as this school in its turn went to the opposite extreme, depreciating the true deductive procedure, and over-estimating its own inductive method, and ignoring the limits beyond which its method was of less service than the other, it has done at least as great damage, if not greater, than can be alleged against the British school. . . . General reproaches as to method, such as the later German historical writers have cast upon the English group, with a self-sufficiency to which the logical clearness and acuteness of their argumentation do not correspond, are unjust and incorrect. The use of both the chief methods is demanded by the subject matter of political economy, and by the character of

the problems proposed for its solution. Moreover, that which is right and warranted in the German historical method, is not new. Many of the older theorists, authors of systematic treatises or of monographs, as well as those who discussed practical questions, have used this method,—not least, again, A. Smith. . . .

“. . . In our opinion, the British theory and dogmatic teaching may claim, under certain hypotheses, a great and lasting usefulness. With substantial correctness they gave a knowledge of the skeleton, the salient points and outlines of the system of private economy, both static and dynamic, with the legal and psychological hypotheses which, on the whole, are realized in developed civilizations like those of the present day.” . . . “The English economists failed, however,” says Wagner, “to perceive that these hypotheses are not always fulfilled, or are fulfilled in varying degree in different times or places or specific instances. But if these defects be remedied,” he continues, “as they may be, in fact have been, in accordance with the spirit of the English school, no less than with that of the historical political economy, the critics of the younger historical group find the ground cut away from under them, while that which is essential in the British theory survives.” (p. 49.)

Mill is given chief prominence among writers on logic. “I think that with reference precisely to political economy, no logician is more instructive. . . . It seems to me that we should hold fast to Mill’s views on the logic of our particular science—this holds especially of his justification of deduction and the corresponding application of the inductive methods to experimental research.” (pp. 138, 139.)

As to Ricardo, Wagner remarks: “Very properly Marshall maintains the continuity of development of the science. He, and recent American writers, in opposition to the exaggerations and obscurity of the historical writers, have indicated the immense importance of Ricardo. . . . Marshall judges Ricardo’s Cost of Production theory quite justly in declaring that it has remained to the present day fundamentally intact, much being added to it, much built upon it, but little taken from it. With this thoughtful moderation let me compare the judgments passed by the younger or youngest German historical writers on Ricardo and other older authors of his method and tendency. Herrmann is now hardly known by many of the younger scholars among us; his unsurpassed work finds abroad, like von Thünen’s, so much the more grateful appreciation. As to the new doctrines, Marshall says very properly: ‘they have supplemented the older, have

extended, developed, and sometimes corrected them, and often have given them a different tone by a new discussion of emphasis, but very seldom have subverted them.”

To the Austrians, the special antagonists of the exaggerated historical tendency, Wagner turns with satisfaction. “Fortunately,” he says, (p. 63) “either action or excessive reaction, in ‘free science,’ outside of the narrow boundaries of schools, always calls forth reaction. It is the merit of Karl Menger of Vienna to have brought about a very strong reaction in German economic science. Under his leadership, or in company with him, a number of specialists, particularly in Austria, have ably and justly thrust the theoretical problems of political economy again into the foreground, especially the question of value. . . . One need not accept all the specific results of their investigation in regarding their starting-point as a proper one. ‘The ways by which judgments are reached, the methods of research, conform to the objects of the investigator, and to the formal nature of the truths sought for.’ (Menger.) Deduction in the domain of theoretical political economy has rightly been brought, by the efforts of Karl Menger, his school and adherents, once more into a position of honor in German science, despite the pretentiousness of the historical school—a considerable service, as well from the standpoint of one who, like the present author, seeks to take a middle position in the methods controversy. . . . That it [the service of the Austrians] has received less recognition in Germany than abroad, is to be explained variously,—in part from personal causes and from the prejudices of schools,—but this lack of recognition does not detract from their value. A certain tendency to exaggeration and one-sidedness may, perhaps, be occasionally discovered in this reaction against the historical school, especially in the heat of controversy, as is almost always the case when there arises a proper reaction against a different one-sidedness. That, however, will be corrected in time. . . . Men like the younger Dietzel have shown that one may come by his own way to a like manner of treatment of theoretical problems, and yet, with respect to important fundamental themes, as of Value and Marginal Utility, may stand outside of the new Austrian school without failing to appreciate the service which that school has rendered.”

The influence of the extravagant historical group has, however, for the most part been confined to Germany. It has appeared abroad “only in scattered instances, and even so in a more moderate form.

Where the just element in the historical movement has been acknowledged, the acknowledgment has been made much as I have made it here. (p. 63.) . . . Distinguished economists abroad, as in Italy before all, L. Cossa, with his expressed preference for the historical treatment of the subject, the Belgian, É. de Laveleye, the Englishmen, Sidgwick, Marshall, Keynes, numerous younger American savants who received their training in Europe, have attached themselves to the historical and socio-political movement, but represent it with moderation and hold fast to the kernel of the old theory."

VETO OF THE INFLATION BILL OF 1874.

At the time that the measure for inflating the greenback currency was pending in the Senate, Vice-President Wilson came one day to my office at 40 State Street, and made a suggestion to me substantially in the following form :

"Mr. Atkinson, owing to your previous correspondence with President Grant, you now have considerable influence with him, and you may bring to bear the influence of others. I fear that he will sign the bill which is now pending in the Senate. The whole pressure of Washington is in that direction, and every effort is made to prevent other influences reaching the President. He does not wish to sign the bill, and he has prepared a very strong argument against it which he proposes to send to the Senate in order to influence the vote. This has been submitted to the Cabinet, and the Cabinet look upon it as an injudicious step on the part of the Executive. I suppose I am the only man outside the Cabinet that has had the opportunity to read this paper." I replied to Vice-President Wilson that "I would immediately move in the matter myself, and that I could bring to bear the influence of a great many people in other cities, for the reason that at certain meetings of Boards of Trade and Commercial Conventions acquaintances had been formed, and about half a dozen men had agreed to support each other on the touch of the wire in any emergency. I will at once bring all these influences to bear, and I will also promote public action here and as far as may be in New York."

I proceeded to telegraph to five or six correspondents: the late E. D. Holton of Milwaukee, the late A. M. Wright of Chicago, Mr. Adolphus Meier of St. Louis, Mr. S. Lester Taylor of Cincinnati, and